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MEMORANDUM FOR: Chief, Foreign Intelligence

SUBJECT : Request for Renewal of Project AERCOT

1. It is requested that Project AERCOT be renewed for the period 1 April 1958 through 31 March 1959. This is a continuing project of FI and CE operations targeted against the Estonian SSR and Estonian nationals of the USSR. The original AERCOT Project was approved 13 May 1953 under Basic Plan AEBASIN, and has been continued by means of renewals and extensions to 31 March 1958. Pertinent documents are attached. Activities contemplated in the project are subject to expansion and contraction in consonance with requirements, operational opportunities, availability of qualified staff and agent personnel, and access to the targets.

- 2. Summary of AEROOT accomplishments during the last renewal period, 1 November 1956 to 31 March 1958:
 - a. Obtained information from three Soviet Estonians traveling in the West, which was subsequently disseminated. Recruited and briefed an East Cerman (AEROOT 9) for a trip to Estonia, which has not yet materialized.
 - b. Recruited, trained and dispatched AENEON/14 as contract agent under deep cover in Finland. His mission was to exploit REDSKIN leads obtained from his Finnish contacts and resident Estonian nationals in Finland.
 - c. Spotted AENEON/35 who is now being recruited for development as a resident FI agent for exploitation of REDSKIN channels in Finland.
 - d. Contacted a Soviet Foreign Office employee which resulted in procurement of intelligence of priority interest on the USSR.
 - e. Contacted a Soviet Embassy official in Sweden for the purpose of assessment for recruitment in place.
 - f. Procured positive and operational intelligence from recent Soviet

 Estonian defectors through liaison services and through independent

 efforts.
 - g. Elicited information about RIS operations from a Soviet Estonian scholar who we believe to be an RIS co-opted worker. Plans have been made for recontacting this individual and some of his colleagues.
 - h. Recruited four accommodation addresses in Western Germany for the receipt of mail from the USSR.
 - i. Recruited two candidates for repatriation missions to Estonia as resident agents.

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- j. From 1 November 1956 to 31 March 1958 sixty-six positive information reports were received of which thirty-one were disseminated.

 There were a total of thirty-six positive information disseminations during this period. These reports cover the following subjects:

 Atomic Energy; Guided Missiles; Radar Order of Battle; Air, Ground and Naval Forces; Political and Economic; Security Forces; Civilian Defense. Approximately seven positive reports received during the period 1 January to 31 March 1958 are in SR Reports pending dissemination.
- k. Detected and arranged for interregation of one RIS agent who came to West Germany in the guise of a refugee from Estonia.

3. Planned Future Activities:

- 2. Continue contacts with AEROOT/6 and AENEON/13.
- b. Recruit AENEON/35 as an AEROOT area contract agent in Finland for briefing and debriefing of legal travelers between Finland and the Estonian SSR for procurement of FI and OI.
- c. Continue development of present capabilities for PI and OI as well as spotting, recruiting and training of legal resident agent candidates, and further exploitation of sources of informants.
- d. Press further the scrutinizing of Estonian escapee and refugee cases for possible RIS infiltration and for procurement of CE information.

4. Changes:

No basic changes are contemplated in the objectives from the project outline, approved 2 April 1957, which is attached.

- 5. The current objectives of the project are the same as during the previous period, 1 November 1956 to 31 March 1958.
- 6. Operational Personnel:

The following personnel is being used, or is being considered for use, on Project AEROOT:

a. AEROOT/5, former Estonian journalist, now a resident of West Germany, where he publishes an emigre newspaper. He acts as principal agent for Project AEROOT in West Germany, and is particularly valuable for his clandestine communication with employees of a Seviet Foreign Office element and Trade Mission in East Germany. Operational Clearance C-35273 was granted 1 June 1955.

or first mate on ocean-going vessels. He serves without pay as spotter, cut-out and recruiter, Operational Clearance C-39792 was granted on 22 November 1955.

9 teline Jurier

AEROOT/9 is an Estonian resident of East Germany who is a contact of AEROOT/5. It is expected that he may travel to the Estonian SSR as a legal traveler, in which case he will be briefed on general political and economic requirements. POA was product unrough 20 April 1958.

Operational Approval was required to the RIS and amended to place AEROOT/9 in the category of a Dagan. Because of AEROOT 9's association with AENEON/6, a known co-opted worker of the RIS, he is also suspected of RIS connections. Therefore a review of his use in this project has been initiated. Executar and VIII.

- d. AENEON/ll, born in Estonia, is a naturalized U.S. citizen. He is serving as a contract agent in Helsinki, Finland, under academic cover. Operational Approval C-48197 was granted 10 September 1956.

 According to present plans, AENEON/ll will leave Helsinki in September 1958, when it is planned to drop him from the project.
- e. AENEON/17, live letter drop, is a resident of West Germany.

 Operational Approval C-56692 was granted 29 July 1957.
- f. AENEON/18, live letter drop, is a resident of West Germany. POA C-11428 was granted 15 January 1958.
- g. AENEON/22, live letter drop,/resident of West Germany. Operational Approval C-61099 was granted 26 July 1957.
- h. AENEON/23 is a live letter drop in Caracas, Venezuela. Operational, Approval was granted 23 October 1957.
- i. AENEON/26, live letter drop, is a resident of West Germany.

 Operational Approval C-63002 was granted 24 September 1957.
- j. AENEON/28 is a live letter drop in West Germany. Operational Approval was granted 12 March 1958.
- k. AENEON/21 is an Estonian residing in West Germany. Subject is presently under consideration for a repatriation mission to the Estonian SSR. Operational Approval was granted 30 September 1957.

- 1. AENEON/24 is an Estonian residing in West Germany. He is being used in the contact and assessment of AEFLIRTY/3, a Soviet diplomat stationed in Sweden, for possible recruitment in place.

 Operational Approval C-62656 was granted 23 January 1958.
- m. AENEON/27 is an Estonian residing in West Germany. He is working for AEROOT/5 as an editorial assistant on the emigre newspaper which AEROOT/5 uses as a cover for his activities. Operational Approval C-61883 was granted 24 March 1958.
- n. AENEON/35 is an Estonian residing in Finland. He is to be used as a sub-agent of AENEON/14 in the collection of intelligence on the Estonian SSR and is being considered as a potential replacement for AENEON/14, when the latter returns to the United States.
- o. AEFLIRTY/2 is a recent escapee from Estonia to Sweden. Preliminary debriefing has been completed and detailed requirements are being prepared for transmittal to Stockholm. A ninety-day extension of POA C-65575 to 15 July 1958 has been granted.
- p. AEFLIRTY/4 is a recent Estenian defector presently in Norway.

 Requirements have been submitted to the Norwagian IS for processing.

 POA C-66819 was granted 29 January 1958.

In addition to the above, the following informers are being utilized under Project AERCOT:

- a. AENEON/13 is a Soviet Estonian sportsman who travels occasionally to the West for contests. We are in contact with AENEON/13 through AEROOT/8.
- b. AENEON/25 is an engineer in an Estonian metal factory who came to the West as a tourist in August 1957. He provided information on the Estonian SSR and agreed to contact us on his next trip to the West.
- c. AENEON/6 and AENEON/7 are employees of the Soviet Trade Mission in

 East Berlin with whom AERCOT/5, our Principal Agent in West Germany,

 AERcoT/9

 is in infrequent contact via eut-out and directly.
- d. AEROOT/6, a resident of Estonia and an employee of the Soviet Trade
 Mission in East Berlin and the Soviet Foreign Office, attempted to
 recruit AEROOT/5 for the RIS. However, during his contacts with
 AEROOT/5 during 1955 and 1957, AEROOT/6 furnished operational and
 positive intelligence on Estonia and the USSR. AEROOT/5 will
 continue to maintain contact with AEROOT/6 for two purposes:



- a) to determine the RIS' intentions toward AEROOT/5 and b) to elicit information from AEROOT/6 on Soviet intentions, capabilities, etc.
- 7. The following agent personnel, previously carried under Project AEROOT, have been terminated or transferred to other projects:
 - ? a. AEROOT/7, former REDSKIN spotter in Germany, immigrated to the U.S. in April 1957, and is no longer of operational interest to this project.
 - b. AENEON/15, an Estonian resident of Germany who was being considered for a repatriation mission, was terminated.
 - c. AEROOT/3, previously considered to be in operational reserve in Sweden, has been terminated.
 - d. AENEON/16 has been transferred from Project AERCOT to Project AECORSAIR, which will be submitted for approval.
 - e. No S/W communications have been received from TIBABEL/1 since March inferming TIBABEL/5 that he will no longer use 1957, he is, therefore, of no further operational interest to SW for this project.

 Communications

8. Cost of the Project:

The estimated total cost of the project from 1 November 1956 through 31 March 1958 (17 months) is \$36,000 as compared with the \$11,925 approved for the period. (March 1958 field expenditures are not yet available. Through February 1958 the expenditures amounted to \$33,776.13.)

Estimated total cost of the project from 1 April 1958 through 31 March 1959, \$24,800, is broken down as follows:

Salaries:

AENEON/27 (cover) 750.

AENEON/27 (cover) 750.

AENEON/21 (est.) 1,500. 1/

AENEON/14 (through 30 Sept. 58) 4,400.

AENEON/35 (est.) 2,000.

Cost of living differential for AENEON/14 thru 30 September 1958 500.

TOTAL

\$11,400.

Operational Expenses:

a.	Spotting, assessment, recruitment and		
•	training of agents outside of Agency		
	facilities		
Ъ•	Holding expenses prior to recruitment		
	or dispatch for agent personnel over-		
	Se as		
c.	Purchase of information:		
	(1) Compensation, gratuities, travel		
	expenses to informers overseas		
	(2) Housing, maintenance, travel, for		
	informers, in the course of in-		•
	terrogations and debriefing		
.**	expenses overseas		
	(3) Incidental expenses in connection		
	with purchase of information		·
	overseas		
	Total purchase of information		Z
d.	Entertainment by Case Officers:		
	Principal Agents	E 3.	<u> </u>
	Total operational expenses		
Travel	Expenses - case officers and agents		
Allowa	nces for safehouse:in Frankfurt		
Quarte:	rs for AENEON/14		
Suppli	es and equipment overseas: cameras, pads,		
film	, S/W material, audio equipment, etc.		L

No logistic or commo annex is required at this stage due to the fact that the type of W/T and other equipment needed has not yet been firmed up. It is estimated that the type of W/T sets suitable for the contemplated operation will cost about \$1,000. per set.

GRAND TOTAL

\$ _

1/ It is estimated that a bonus of \$5,000 would be paid to the agent upon completion of his mission or in case of death \$5,000 death benefit, payable to the agent's designated beneficiaries, in the case of each agent.



AEROOT PROJECT DISSEMINAT. S

Disseminations 1954 - 2

cs 63597

cs 57801

Disseminations 1955 - 12

CSDB 35674 - Sept.

CS 65744 - Aug.

CS 72824 - Aug.

CSDB 36028 - late '55

CS 67306 - June

CS 37910 - April

CS 72824 - June

CS 49924 - April

CSDB 18982 - April

CS 37810 - April

CS 65523 - March

CSDB 35527 - March

Disseminations 1956 - /

CSDB 38808 - Aug 1956

Dissemirations 1957 - 10

CS 3/337,253 - Nov. 1957

CSDB 3,634,004 - Nov.

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TDCSDB 3,633,057 - Aug

CS 3,320,713 - Aug.

CS 3,316,531 - Aug.

CS 3,323,188 - July

CS 3,320,718 - July

cs 3,322,453 - July

TDCS 3,321,917 - July

TDCSDB 3,631,283 - March

Disseminations 1958 - 32

CS 3,342,963 - March

CS 3,349,129 - April

CSLT 3,677,889 - January

CSLT 3,351,995 - March

TDCS 3,356,091 - May (AENEON/14)

TDS6 3,356,408 - May (AENEON/14)

CS 3,340,306 - January

CS 3,345,011 - February

CS 3,345,288 - February

CS 3,344,599) (AENEON/14) 3,344,598). - March (AENEON/14) 3,348,522) (AENEON/14)

CS 3,353,803 - May

CS 3,342,979 - Feb.

CS 3,342,980 - Feb.

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Disseminations - 1958
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CS 3,341,889 - January
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- cs 3,348,555
- CS 3,348,720
- CS 3,345,288 February
- CS 3,345,407 February
- CS 3,345,011 February
- CS 3,349,359 March (AENEON/14)